LETTER OF INTENT

This Letter of Intent ("LOI") outlines the proposed terms upon which the Georgia Department of Community Affairs, a department and agency of the State of Georgia ("<u>DCA</u>") and the Georgia Environmental Finance Authority, a public authority and instrumentality of the State of Georgia, ("<u>GEFA</u>"), (collectively the "<u>State Parties</u>"), would invest in a water supply project.

Background

_____ ("Applicant"), for itself and, if applicable, as the lead local authority pursuant to O.C.G.A. § 36-91-102(b), has submitted a Governor's Water Supply Program Application (the "<u>Application</u>") to GEFA for the purpose of securing funding for a portion of the water supply project more particularly described in <u>Exhibit A</u> (the "<u>Project</u>") by State Direct Investment in the Project.

GEFA has reviewed the Application and determined that the Application is complete.

Pursuant to the procedures of the Governor's Water Supply Program Project Selection System, GEFA has (i) evaluated and scored the Project, (ii) analyzed the financial viability of the Project and (iii) considered all other factors and criteria affecting and determining the award of funding for a portion of the Project by State Direct Investment and has awarded funding for the Project in an amount not to exceed the amount set forth in Exhibit B (the "Award").

The State Parties' investment will be in the form of investment in an asset or assets which are part of the Project or in an undivided interest in the Project or part thereof (the "State Property Interest").

The State Parties and Applicant have found that in accordance with the Georgia Water Supply Act of 2008 (the "Water Supply Act"), the Project will further the public purposes of the

Water Supply Act and will promote the use of the industrial, recreational, commercial, and natural resources of Georgia for the public good and general welfare.

Intent of the Parties

- 1. <u>Purchase Price</u>. The purchase price of the State Property Interest shall not exceed the Award.
- 2. <u>Definitive Agreements</u>. The parties will endeavor to negotiate mutually acceptable definitive agreements for the State Parties' investment in the Project.
- 3. <u>Single Point of Contact</u>. Applicant shall designate an individual person as a single point of contact ("<u>SPOC</u>") to represent Applicant for purposes of coordination with the State Parties and for all other purposes and functions regarding this LOI and the Project. Without limitation of the foregoing, Applicant and the State Parties shall coordinate all publicity, press releases and public meetings regarding the involvement of the State Parties in the Project.
- 4. <u>Due Diligence</u>. Applicant shall cooperate with and permit the State Parties, or any person or public entity designated by GEFA, to conduct due diligence activities, including the following:
 - 4.1 On not less than one (1) business day prior, written notice, Applicant shall permit the State Parties, or any person or public entity designated by GEFA, at reasonable times to enter in and on the real property upon which the Project will be located ("<u>Project Site</u>") for purposes of inspecting the Project.
 - 4.2 From time to time as prescribed by GEFA in writing to Applicant, Applicant shall report in writing to the State Parties with regard to the acquisition, construction, maintenance, repair, replacement, operation and management of the Project.

4.3 Upon request of the State Parties, Applicant shall make available to the
State Parties, any and all documents, materials and other information relating to the
Project.
5. Option to Purchase. If the State Property Interest is to be in land, within
() days after the Effective Date of this LOI, Applicant shall execute and deliver to
DCA a proposal option to purchase the State Property Interest substantially in the form attached
hereto as Exhibit C (the "Option").
6. Other Agreements. In order to effectuate the acquisition, construction, operation
and management of the Project, Applicant and the State Parties will endeavor to negotiate to
document the terms and provisions of (a) where the State Property Interest consists of ownership
of a specific tract of land, a lease agreement for the long-term lease of the State Property Interest
to Applicant, for and in consideration of the public benefit of the Project and the public purposes
furthered by the Project, (b) where the State Property Interest consists of ownership of an interest
as a tenant-in-common, a tenant-in-common agreement for control and use by Applicant of the
State Property Interest in conjunction with the acquisition, construction, operation and
management of the Project, for and in consideration of the public benefit of the Project and the
public purposes furthered by the Project and (c) such other agreements as may be necessary to
facilitate and implement the acquisition, construction, operation and management of the Project.
7. <u>Notices</u> . All notices, demands, requests and other communications hereunder
shall be deemed sufficient and properly given if in writing and delivered in person to the
following addresses or received by certified or registered mail, postage prepaid with return
receipt requested, at such addresses:
(a) If to the State Parties:

With a copy to:

	- - -	
(b)	If to Ap	Dlicant:
	- -	
	With a	opy to:
	- - -	

The State Parties and Applicant may, by like notice, designate any further or different addresses to which subsequent notices shall be sent. Any notice hereunder signed on behalf of the notifying party by a duly authorized attorney at law shall be valid and effective to the same extent as if signed on behalf of such party by a duly authorized officer or employee.

8. Non-Binding Nature. This LOI reflects the present intent of the parties to proceed with the negotiation and execution of the agreements and other documentation contemplated in Annex 1 hereto and the consummation of the contemplated transactions therein, all upon the terms and conditions described therein and such other terms and conditions as are mutually acceptable to the Parties. The State Parties and the Applicant agree and acknowledge that this LOI constitutes a non-binding LOI and that neither of the State Parties nor the Applicant have any obligation to reach agreement on or to negotiate toward or to continue to proceed with consideration of the transactions contemplated in Annex 1 hereto or otherwise consummate such transactions. The parties acknowledge and agree that the terms and conditions set forth in Annex 1 hereto are not intended to and do not create or otherwise give rise to any binding obligation or enforceable right on the part of any party. For the avoidance of doubt, any party may cease negotiations and terminate this LOI by ten (10) days written notice thereof to the other

parties, and thereafter, the parties shall have no obligations under this LOI except as otherwise specifically provided in this LOI.

9. <u>Not Liable for Obligations of Other Party</u> . No party to this LOI shall be liable for
the obligations, acts or negligence of the other party. Neither party to this LOI shall have the
power or authority to bind the other party to any third-party obligation, unless such power or
authority is specifically set forth in writing. Unless otherwise specifically provided in this LOI
each party shall pay the costs, fees and expenses incurred by such party in acquiring.
constructing, repairing, replacing, maintaining, operating or managing the Project. Each party to
this LOI agrees to make such further assurances and to deliver such other items, documents
affidavits, instruments and certificates as may be reasonably required or as may be necessary or
desirable to facilitate the acquisition, construction, operation or management of the Project.
10. Effective Date. This LOI shall be effective as of,, 20
("Effective Date").
STATE PARTIES: GEORGIA DEPARTMENT OF COMMUNITY AFFAIRS
By:
Name:
Title:
GEORGIA ENVIRONMENTAL FINANCE AUTHORITY
By:
Name:

Title: _____



APPLICANT

By:						
	Name:					



EXHIBIT A

<u>Project</u>



EXHIBIT B

Award



ANNEX 1

